

**CITY COUNCIL BUDGET SESSION
CITY OF WATERTOWN
May 10, 2021
7:00 p.m.**

Mayor Jeffrey M. Smith Presiding

Present: Council Member Sarah V. Compo
Council Member Ryan J. Henry-Wilkinson
Council Member Lisa A. Ruggiero
Council Member Leonard G. Spaziani
Mayor Jeffrey M. Smith

Also Present: Kenneth A. Mix, City Manager

City staff present: Matthew Roy, James Mills, David Wurzburg, Michael Delaney, Michael Lumbis, Dana Atkins

DISCUSSION

American Rescue Plan (ARP)

Mayor Smith informed Council that the final guidelines on the use of this funding was received by the City today. He stated that unfortunately the allowable uses were not as flexible as he had hoped they would be. Pointing out that street and road construction did not qualify as an allowable use, he indicated that it was based more on the economic impact of the COVID-19 pandemic, with loss of revenue and restoring pre-pandemic staffing levels. He added there could be some help with tourism and suggested the funds could possibly be used to help with maintenance repairs on the Zoo buildings.

Mr. Mix explained that the guidelines received today were very similar to what was mentioned when the announcement of the funding first came out, noting that water and sewer projects seem to be a priority. Since there may be a backlog with contractors due to the number of projects, he stressed that the projects only had to be obligated to by 2024 and the work done later.

Mayor Smith clarified that the City will not be receiving \$23 million as has been reported in the media and would actually receive \$22,265,728.

Proposed Budget Changes Update

City Comptroller James Mills provided Council with an update (on file in the City Clerk's Office) to the budget numbers based on the changes that Council had made so far, as well as the proposed changes by Mr. Mix due to the prior discovery of an error in the Fire wages (a memo regarding Mr. Mix's proposal is on file in the City Clerk's Office). He reviewed each item of his report in detail and summarized that the total net change is positive \$59,476.

Mayor Smith advised that the American Rescue Plan (ARP) funds should be used to pay for any positions that are to be restored, such as the Policer Officers and Librarian I.

Some discussion occurred over whether the City should restore four Police Officers or remain at three Police Officers as decided at the last budget session, as well as other positions that the ARP funding

could supplement. Various scenarios of the dollar amounts saved and effects on the budget were mentioned and evaluated.

Mayor Smith explained that his intent is to have a 0% tax rate increase and provide help for the future by not incurring more debt.

Council Member Henry-Wilkinson, Council Member Compo and Council Member Ruggiero expressed support of Mayor Smith statement. Council Member Spaziani said he needs to still wrap his head around the numbers since he is so new to the budget process.

Human Resources – page 51

HR Manager Matthew Roy reviewed the Human Resources budget, stating the main change is the addition of a Safety Officer. He said this position was budgeted for six months starting on January 1, 2022 for \$27,000. He noted there would be a period of overlap time with the outside safety consultant while the new Safety Officer went through training and familiarized themselves with the City's program.

Mayor Smith asked for the cost of the safety consult and whether there would be a net saving to the City.

Mr. Roy replied that the consultant cost \$60,000, which was split between accounts, and he indicated there was not a net savings to the City. In response to Council Member Compo's question, Mr. Roy explained that the new position would completely take over the safety program and have the time and dedication to build it further. He provided more detail as to how the program is going and where it needs to be, noting it has gone as far as it can with using the consultant. He informed Council as to what this new position would be responsible for and mentioned that they would manage all of the worker's compensation claims and incident reports. He advised that the base salary would be \$54,000 to \$55,000.

Mayor Smith said he thinks a City of this size and number of employees should have a dedicated Safety Officer.

Health Insurance Fund – page 265

Stop loss coverage levels for the last few years and how to determine the best amount were reviewed.

In response to Council Member Spaziani's question regarding how much an employee pays for health insurance, Mr. Roy said that most bargaining units pay 15% and the City pays 85%. He noted that there is a healthy fund balance so there will be a 0% increase for next year.

Engineering – page 54

Michael Delaney noted the biggest change from last year is the request for a new printer/scanner (page 58) and explained that this equipment serves multiple departments (Engineering, Planning and Code Enforcement).

Mayor Smith asked if staff tracks time spent on water, sewer and hydro projects.

Mr. Delaney replied that one engineer oversees everything for the hydro plant and his time is tracked and charged to the hydro account. In response to Mayor Smith's further questions, he said hydro

maintenance is tracked and the current contract is doing a good job. He indicated that he would like to review it further because he feels maintenance is key and he said that, because the hydro plant is a valuable asset, the City needs to ensure that maintenance is taken care of.

Regarding staffing, Mr. Mix mentioned the addition of a Civil Engineer I and part-time Civil Engineer II and explained that one position will be charged to ARP for the overseeing of all the infrastructure projects, which the current staff does not have enough time to do.

Council Member Ruggiero asked what would happen to this position after the ARP funds are done.

Mr. Mix commented that it will be determined at that time.

Mr. Mills added it is similar to what happens when a SAFER grant expires.

Mr. Delaney provided more details as to why additional staff is needed due to the ARP projects. He said the Engineering Department supports other department such as Planning, Water and Sewer and it oversees Code Enforcement, so it is critical to have enough staffing. He added that the Engineering Department also provides Purchasing with specifications for bids. Lastly, he said that the department will begin to track the time that is spent on the water and sewer projects, so it can be charged appropriately.

In response to Council Member Ruggiero's inquiry regarding the significant decrease in contract services, Mr. Mix explained that it was thought that there was going to be a pass through of funds for the MPO, but it did not end up happening that way.

Municipal Building – page 64

Mayor Smith pointed out the addition of a maintenance worker, to be split between the Library and City Hall. He said this position was eliminated last year due to COVID-19 so ARP funds should be used.

Mr. Delaney explained that this position will be assigned a later shift into the evening so that cleaning can be done and it will save on overtime.

Code Enforcement – page 98

Mr. Delaney noted there were two recent retirements, the Code Enforcement Supervisor and Building Safety Inspector, and explained the staffing changes as a result of that. He mentioned that this area is still short-staffed, so a previously retired person has come back part-time to assist with the work and training.

Further discussion occurred regarding the staffing levels prior to COVID-19 and the current proposed staffing levels, as well as the elimination of the title Building Safety Inspector and the increase in the number of Code Enforcement Officers. Mr. Delaney explained that the Code Enforcement Officer can do more than the limited authority of a Building Safety Inspector.

The Vacant Property and Rental Registration Programs were mentioned, and Mr. Mix noted the City needs to reevaluate both of them and look for Council direction on their continuation.

Information Technology – page 77

In response to Mayor Smith's inquiry, IT Manager David Wurzburg provided an update on the new City website and indicated that the plan is for it to go live in June. He also gave an update on the migration of the new email system and MS Office Suite.

The conversation turned to the implementation of an emergency alert system for the public and employees. The various components of the emergency alerts and nonemergency alerts were reviewed, as well as the rollout of each phase.

Lastly, an overview of the Accela code software and its current uses were given by Mr. Wurzburg, as requested by Council Member Ruggiero.

Planning – Page 180

Planning and Community Development Director Michael Lumbis commented that there were not many changes from last year and that the salaries were the same. He reviewed the contract services line item and noted there was an additional \$7,500 for a grant writer. Lastly, he reminded Council that the salary of the positions in his office are split between Planning and the Community Development Fund, which is paid for by CDBG funds.

Community Development Fund – Page 254

Mr. Lumbis reviewed the items listed on page 257, which is paid for by CDBG funds.

Capital Projects - Planning

Mr. Lumbis pointed out the Public Art Project listed on page 288 and the Wayfinding Signage and Branding Initiative on page 289. He provided details of the programs and the work to be done in the coming months. The Black River Trail - Factory Square Park Connection to Factory Street listed on page 294 was discussed and it was noted that this was funded through the Black River Fund.

Further discussion occurred regarding the Black River Fund, its funding and uses and whether the proposed trail connection was the best project to use this funding. Mayor Smith expressed the opinion that the repair to the Route 3 Wave project was a higher priority and would bring kayakers and events to the City.

Mr. Lumbis indicated that the City would need to do an evaluation of the area while the water levels of Black River were low before the project was designed.

Mr. Mills pointed out that the expense of a professional study would fall under the operating expenses and the capital plan.

Council agreed to eliminate the trail connection project and replace it with an engineering study for the Route 3 Wave, and it was noted that this would not have an effect on the General Fund.

Lastly, the Pinnacle Pavilion Area Stone Wall Repair and Pavilion Roof Rehabilitation project on page 296, CDBG Sidewalk Project - Tilden Street on page 312 and the CDBG Sidewalk Project - Grant Street on page 313 were reviewed.

Capital Projects

Council turned to the remaining capital projects beginning on page 287 and reviewed each one quickly, noting the funding source listed on the bottom of each page.

In regard to the projects being eliminated due to the error discovered in the Fire wages (see City Manager memo dated 5/3/2021), Mayor Smith suggested that if there is any extra money due to ARP funding projects and the reinstatement of positions, then these projects should be added back in.

Mr. Mix explained that once the ARP funds are received, Council will need to readopt the budget anyways, so at that time, a review of the projects can be done based on Council's priorities and put back in.

Further discussion of the roof replacement on page 295 took place and Mayor Smith asked staff to investigate the use of metal roofing instead of asphalt shingles for longer life expectancy.

Regarding page 315, Mr. Mix pointed out that the Waterman Drive West Extension Design project was put in at the request of the Mayor but there is no funding source besides bonding. He suggested delaying this project until additional funding sources can be sought out.

Pointing out page 338, Mr. Delaney commented the Flower Memorial Library Ceiling Replacement project was needed because the current tiles are sagging and falling causing a safety concern.

Multi-Year Plan – Page 339

Mayor Smith stated the multi-year plan has not changed much but the positive is that the City is using current funds to avoid the recurring costs associated with bonding.

Exemption Impact Report – Page 350

Mayor Smith advised that being allowed to charge the Water Treatment Plant for the amount that it would pay in taxes if privately owned brings money into the General Fund. He added that this may increase water rates, but more people would be contributing since it would include the users in tax-exempt properties.

He said there is also a proposal to separate the storm water run off and charge individuals based on their usage, which would also be paid for by tax-exempt properties.

Overall Budget Summary

Mayor Smith said the message to the public should be that this budget contains a 0% tax increase and 0% increase to water and sewer rates. He said it also uses current funds to pay for projects instead of bonding, which saves future debt service. Regarding the ARP funds, he noted that the guidelines were not as flexible as hoped but the City can use it to restore pre-COVID-19 staffing, to recover lost revenue, for water and sewer projects and to help tourism.

Management and Management Confidential Salaries

Mr. Mix informed Council that he did not propose an across-the-board percentage of increase for management because he is currently working on the implementation of a management pay scale with steps, similar to what the unions use. He stated that money has been budgeted in the contingency funds to cover either proposal so it will not affect the adoption of this budget. He commented that if Council is agreeable, they could adopt the budget as is and then he could present his proposal at a later time.

Mayor Smith remarked that he is interested in looking at the proposal.

Mr. Mix added that he did not compare the management salaries to the private sector and detailed the factors that played a role in determining the tentative pay scale.

Mr. Delaney added additional reasons needed to evaluate the management pay in his department, stressing that it is difficult to retain quality staff at the current rate of payment. He mentioned that the City invests the time and money into training staff and then they leave for a higher paying position elsewhere.

It was decided to adopt the budget based on the money being set aside in the contingency fund and Mr. Mix could present his full proposal after the budget process is completed.

Future Budget Meetings

Mayor Smith summarized that the City Comptroller could present Council with updated figures based on the changes made by Council and the funding received by ARP at the May 15 Regular Council Meeting. He advised that the May 15 meeting could be adjourned to another date, possibly May 24, to finalize the adoption of the budget.

Budget session ended at 8:21 p.m.

Ann M. Saunders
City Clerk